

104TH CONGRESS
2D SESSION

H. R. 3246

To amend the Electronic Fund Transfer Act to protect the consumer with regard to fees imposed in connection with an electronic fund transfer initiated by a consumer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1996

Mr. SCHUMER (for himself, Mr. KENNEDY of Massachusetts, and Mrs. MALONEY) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Electronic Fund Transfer Act to protect the consumer with regard to fees imposed in connection with an electronic fund transfer initiated by a consumer, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “ATM Fee Disclosure
5 Act of 1996”.

6 **SEC. 2. ELECTRONIC FUND TRANSFER FEES.**

7 (a) DISCLOSURES REQUIRED.—The Electronic Fund
8 Transfer Act (15 U.S.C. 1693 et seq.) is amended—

1 (1) by redesignating sections 918, 919, 920,
2 and 921 as sections 919, 920, 921, and 922, respec-
3 tively; and

4 (2) by inserting after section 917 the following
5 new section:

6 **“SEC. 918. FEES.**

7 “(a) DISCLOSURE OF POINT-OF-SALE AND CASH
8 WITHDRAWAL FEES.—In the case of any electronic fund
9 transfer which is initiated by a consumer through the use
10 of an electronic terminal, including a telephone operated
11 by the consumer, no fee may be imposed by any person
12 in connection with such transaction unless a notice is pro-
13 vided to the consumer, in accordance with subsection (b),
14 which clearly states the following:

15 “(1) A fee will be imposed in connection with
16 the transaction.

17 “(2) The amount of any such fee.

18 “(3) The consumer may cancel the transaction
19 without paying the fee.

20 “(4) If the consumer does not elect to continue
21 in the manner necessary to effect the transaction
22 after receiving this notice, the transaction will be
23 canceled without the imposition of a fee by any per-
24 son, including any person described in subparagraph
25 (B), (C), or (D) of subsection (d)(1) who would have

1 been involved in the transaction had the transaction
2 been completed.

3 “(b) TIME AND LOCATION OF NOTICE.—The notice
4 required under subsection (a) shall appear on the screen
5 of the electronic terminal or on a paper notice issued from
6 the machine or, in the case of an electronic fund transfer
7 by a telephonic instrument, as a voice message clearly au-
8 dible to the consumer after the transaction is initiated and
9 before the consumer is irrevocably committed to complet-
10 ing the transaction.

11 “(c) PROHIBITION ON FEES NOT PROPERLY DIS-
12 CLOSED OR EXPLICITLY ASSUMED BY CONSUMER.—No
13 fee may be imposed by any person in connection with any
14 electronic fund transfer initiated by a consumer for which
15 a notice is required under subsection (a), unless—

16 “(1) the consumer receives such notice in ac-
17 cordance with subsection (b); and

18 “(2) the consumer elects to complete the trans-
19 action, or otherwise responds in the manner nec-
20 essary to effect the transaction, after receiving such
21 notice.

22 “(d) SCOPE OF NOTICE AND PROHIBITION.—

23 “(1) IN GENERAL.—The requirement of notice
24 of fees under subsection (a) and the prohibition on
25 the imposition of fees under subsection (c) shall

1 apply with respect to any fee which is or would be
2 imposed in connection with any electronic fund
3 transfer to which such subsections apply by—

4 “(A) the person operating or owning the
5 electronic terminal or telephonic instrument at
6 which the transaction is initiated by the
7 consumer (other than a telephone operated by
8 the consumer);

9 “(B) the financial institution holding the
10 account of the consumer;

11 “(C) any national, regional, or local net-
12 work utilized to effect the transaction; and

13 “(D) any other party involved in the elec-
14 tronic fund transfer.

15 “(2) TRANSACTIONS INITIATED BY TELE-
16 PHONE.—In the case of an electronic fund transfer
17 initiated by a consumer through the use of a tele-
18 phone operated by the consumer, the electronic ter-
19 minal or telephonic instrument to which the
20 consumer connects through the use of such tele-
21 phone shall be treated as the electronic terminal or
22 telephonic instrument at which the electronic fund
23 transfer is initiated for purposes of this section.

24 “(e) DOCUMENTATION.—Written documentation of
25 the amount of any fee imposed by any person in connec-

1 tion with any electronic fund transfer for which notice is
2 required under this subsection, and the identity of any
3 such person, shall be provided directly to the consumer
4 upon completion of such transfer.

5 “(f) BALANCE INQUIRIES.—For purposes of this sec-
6 tion, the term ‘electronic fund transfer’ includes a trans-
7 action which involves a balance inquiry initiated by a
8 consumer in the same manner as an electronic fund trans-
9 fer, whether or not the consumer initiates a transfer of
10 funds in the course of the transaction.”.

11 (b) CONFORMING AMENDMENT.—Section 906(a) of
12 the Electronic Fund Transfer Act (15 U.S.C. 1693d(a))
13 is amended—

14 (1) by striking “and” at the end of paragraph
15 (4);

16 (2) by striking the period at the end of para-
17 graph (5) and inserting “; and”; and

18 (3) by adding at the end the following new
19 paragraph:

20 “(6) The amount and type of any fee imposed
21 in connection with the transfer, including any fee in-
22 formation required to be disclosed pursuant to sec-
23 tion 918(e).”.

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